IN THE CLAIMS:

Please amend the claims as follows:

1-27. (Canceled)

28. (Currently Amended) A computer readable storage medium containing a program which, when executed, performs an operation for providing access to an on-demand resource on a computerized apparatus, the operation comprising:

recording a compliant state of the computerized apparatus, with respect to the on-demand resource, in which a system function uses the on-demand resource with authorization ,wherein on-demand resource is a hardware component of the computerized apparatus;

determining an incompliant state of the computerized apparatus, with respect to the on-demand resource, in which the system function uses the on-demand resource without authorization; and

initiating a grace period during which the system function continues to use the on-demand resource while in the incompliant state; wherein the computerized apparatus transitions from the ~~compliance~~ compliant state to the incompliant state and then initiates the grace period in a manner providing continuous availability of the on-demand resource to the system function.

29. (Previously Presented) The computer readable storage medium of claim 28, wherein the system function is a partition manager.

30. (Previously Presented) The computer readable storage medium of claim 28, wherein initiating the grace period comprises initiating a countdown counter.

31. (Previously Presented) The computer readable storage medium of claim 28, further comprising preventing the system function from using the on-demand resource after expiration of the grace period.

32. (Previously Presented) The computer readable storage medium of claim 28, further comprising terminating the grace period if the system is returned to a compliant state.

33. (Previously Presented) The computer readable storage medium of claim 28, wherein recording the compliant state comprises writing to a smart chip.

34. (Previously Presented) The computer readable storage medium of claim 28, wherein determining the incompliant state comprises reading a smart chip.

35. (Previously Presented) The computer readable storage medium of claim 28, wherein the on-demand resource is one of a processor, memory and storage.

36. (Previously Presented) A computerized apparatus, comprising:

on-demand resources configured to be claimed for use by a function, wherein on-demand resources comprise a hardware component; and

a capacity manager, which when executed by a processor, is configured to: enable the on-demand resources for use by the function, wherein the computerized apparatus is in a compliant state when the function only claims usage of the enabled on-demand resources and does not claim any disabled on-demand resources; and

initiate a grace period during which the function may continue to use the on-demand resources while in an incompliant state for a defined period of time, wherein the computerized apparatus is in the incompliant state when the function claims usage of the disabled on-demand resources, and wherein the grace period is initiated in response to the computerized apparatus transitioning from the compliant state to the

incompliant state, thereby providing continuous availability of the on-demand resources to the function.

37. (Original) The computerized apparatus of claim 36, wherein the capacity manager is further configured to implement an enforcement policy restricting the use of the on-demand resources after expiration of the grace period.

38. (Original) The computerized apparatus of claim 36, wherein the function is a partition manager for managing a plurality of logical partitions.

39. (Original) The computerized apparatus of claim 36, further comprising a persistent storage device to store state information used to determine whether the computerized apparatus is in the compliant state or the incompliant state with respect to the function's claim to usage of the on-demand resources.

40. (Original) The computerized apparatus of claim 36, wherein the on-demand resources comprise at least one of a processor, memory and storage.

41. (Original) The computerized apparatus of claim 36, wherein the capacity manager is configured to enable the on-demand resources by unlocking the on-demand resources and making the on-demand resources available for use upon request.

42. (Original) The computerized apparatus of claim 36, wherein the capacity manager is further configured to receive enablement codes configured to enable the on-demand resources.

43. (Original) The computerized apparatus of claim 42, wherein the capacity manager is configured to determine whether each enablement code is valid by

44. (Previously Presented) A computer-implemented method of providing access to an on-demand resource on a computerized apparatus, the method comprising:

recording a compliant state of the computerized apparatus, with respect to the on-demand resource, in which a system function uses the on-demand resource with authorization, wherein on-demand resource is a hardware component of the computerized apparatus;

determining an incompliant state of the computerized apparatus, with respect to the on-demand resource, in which the system function uses the on-demand resource without authorization; and

initiating a grace period during which the system function may continue to use the on-demand resource while in the incompliant state; wherein the computerized apparatus transitions from the compliance state to the incompliant state and then initiates the grace period in a manner providing continuous availability of the on-demand resource to the system function.

45. (Previously Presented) The method of claim 44, wherein the system function is a partition manager.

46. (Previously Presented) The method of claim 44, wherein initiating the grace period comprises initiating a countdown counter.

47. (Previously Presented) The method of claim 44, further comprising preventing the system function from using the on-demand resource after expiration of the grace period.

48. (Previously Presented) The method of claim 44, further comprising terminating the grace period if the system is returned to a compliant state.

49. (Previously Presented) The method of claim 44, wherein recording the compliant state comprises writing to a smart chip.

50. (Previously Presented) The method of claim 44, wherein determining the incompliant state comprises reading a smart chip.

51. (Previously Presented) The method of claim 44, wherein the on-demand resource is one of a processor, memory and storage.